

ASSEMBLY BILL

No. 988

Introduced by Assembly Member Maze

February 20, 2003

An act to add and repeal Sections 17053.19 and 23619 of the Revenue and Taxation Code, relating to taxation, to take effect immediately, tax levy.

LEGISLATIVE COUNSEL'S DIGEST

AB 988, as introduced, Maze. Personal income and corporation taxes: credits: Health Professional Shortage Areas.

The Personal Income Tax Law and the Corporation Tax Law authorize various credits against the taxes imposed by those laws.

This bill would authorize a credit against those taxes for each taxable year beginning on or after January 1, 2003, and before January 1, 2008, in an amount equal to 15% of unreimbursed fees for medical services administered to a Medi-Cal beneficiary by a qualified medical care professional, as defined, practicing medicine in a Health Professional Shortage Area, as defined.

This bill would take effect immediately as a tax levy.

Vote: majority. Appropriation: no. Fiscal committee: yes. State-mandated local program: no.

The people of the State of California do enact as follows:

- 1 SECTION 1. Section 17053.19 is added to the Revenue and
2 Taxation Code, to read:
3 17053.19. (a) For each taxable year beginning on or after
4 January 1, 2003, and before January 1, 2008, there shall be allowed

1 as a credit against the “net tax,” as defined in Section 17039, an
2 amount equal to 15 percent of qualified medical expenses incurred
3 during the taxable year by a qualified medical professional
4 practicing medicine in a qualified Health Professional Shortage
5 Area.

6 (b) For purposes of this section:

7 (1) “Qualified medical expenses” means that portion of a
8 qualified medical care professional’s fee charged for medical
9 services administered to a Medi-Cal beneficiary in a qualified
10 Health Professional Shortage Area that is not reimbursed by
11 Medi-Cal.

12 (2) “Medi-Cal” means the California Medical Assistance
13 Program created under the Medi-Cal Act set forth in Chapter 7
14 (commencing with Section 14000) of Part 3 of Division 9 of the
15 Welfare and Institutions Code.

16 (3) “Qualified medical care professional” means a physician,
17 surgeon, dentist, or optometrist, who has practiced in a qualified
18 Health Professional Shortage Area for a minimum of six months,
19 and who, every year, carries and treats a patient load that is 30
20 percent Medi-Cal beneficiaries.

21 (4) “Qualified Health Professional Shortage Area” means an
22 area, located within California, designated by the United States
23 Department of Health and Human Services as a Health
24 Professional Shortage Area pursuant to Section 3505d of the
25 Public Health and Welfare Code (42 U.S.C. Sec. 3505d).

26 (c) In the case where the credit allowed by this section exceeds
27 the “net tax,” the excess may be carried over to reduce the “net
28 tax” in the following year, and succeeding years if necessary, until
29 the credit is exhausted.

30 (d) This section shall remain in effect only until January 1,
31 2008, and as of that date is repealed.

32 SEC. 2. Section 23619 is added to the Revenue and Taxation
33 Code, to read:

34 23619. (a) For each taxable year beginning on or after
35 January 1, 2003, and before January 1, 2008, there shall be allowed
36 as a credit against the “tax,” as defined in Section 23036, an
37 amount equal to 15 percent of qualified medical expenses incurred
38 during the taxable year by a qualified medical professional
39 practicing medicine in a qualified Health Professional Shortage
40 Area.

(b) For purposes of this section:

(1) “Qualified medical expenses” means that portion of a qualified medical care professional’s fee charged for medical services administered to a Medi-Cal beneficiary in a qualified Health Professional Shortage Area that is not reimbursed by Medi-Cal.

(2) “Medi-Cal” means the California Medical Assistance Program created under the Medi-Cal Act set forth in Chapter 7 (commencing with Section 14000) of Part 3 of Division 9 of the Welfare and Institutions Code.

(3) “Qualified medical care professional” means a physician, surgeon, dentist, or optometrist, who has practiced in a qualified Health Professional Shortage Area for a minimum of six months, and who, every year, carries and treats a patient load that is 30 percent Medi-Cal beneficiaries.

(4) “Qualified Health Professional Shortage Area” means an area, located within California, designated by the United States Department of Health and Human Services as a Health Professional Shortage Area pursuant to Section 3505d of the Public Health and Welfare Code (42 U.S.C. Sec. 3505d).

(c) In the case where the credit allowed by this section exceeds the “tax,” the excess may be carried over to reduce the “tax” in the following year, and succeeding years if necessary, until the credit is exhausted.

(d) This section shall remain in effect only until January 1, 2008, and as of that date is repealed.

SEC. 3. This act provides for a tax levy within the meaning of Article IV of the Constitution and shall go into immediate effect.